

---

[Download](#)

[Other Working Papers](#)

Keep in mind

The series Working Papers on Economics is published by the Office for Economic Studies at the *Banco de la República* (Central Bank of *Colombia*). It contributes to the dissemination and promotion of the work by researchers from the institution. This series is indexed at Research Papers in Economics (RePEc).

On multiple occasions, these works have been the result of collaborative work with individuals from other national or international institutions. The works published are provisional, and their authors are fully responsible for the opinions expressed in them, as well as for possible mistakes. The opinions expressed herein are those of the authors and do not necessarily reflect the views of Banco de la República or its Board of Directors.

AUTHOR OR EDITOR

[Juan Esteban Carranza](#) [Camila Casas](#) [Alejandra González](#)

The series Borradores de Economía (Working Papers on Economics) contributes to the dissemination and promotion of the work by researchers from the institution. On multiple occasions, these works have been the result of collaborative work with individuals from other national or international institutions. This series is indexed at Research Papers in Economics (RePEc)

---

---

Publication Date:  
Friday, 14 of August 2020

The opinions contained in this document are the sole responsibility of the author and do not commit Banco de la República or its Board of Directors.

## **Abstract**

This paper documents the adjustment of international trade for the Colombian manufacturing sector following the 2014-2105 depreciation of the peso. We combine detailed information on trade with firm-level balance sheet and credit data, and we analyze the response of exports and imports at the macro-, firm-, and product-level to the exchange rate shock. The evidence indicates that export and import prices are sticky in dollars, and therefore the depreciation triggered a relatively rapid contractionary response from imports, whereas the response from exports was slower and weaker. Our micro-level analyses of the combined data suggest that the muted response of exports is associated with exporting firms' reliance on imported inputs, and with their preexisting higher debt, as predicted by the literature on balance sheet effects.